

December 30, 2005

State of Arizona
State Environmental Contracts

20410 N. 19th Avenue, Suite 1
Phoenix, Arizona 85027-1405
(623) 215-1300
(623) 215-1333 FAX

RE: Engineering and Environmental Consultants, Inc.
Solicitation #SCC060008

To Whom It May Concern:

Engineering and Environmental Consultants, Inc. has established a bonding line of credit with Merchants Bonding Company. Merchants is an "A" rated company by *A. M. Best* and is a federally approved surety by the United States Department of the Treasury.

The bonding line of credit established for Engineering and Environmental Consultants, Inc. stands at \$500,000 which has been set to meet the day to day needs of this company. This limit should not be considered maximum amount of surety credit available, but rather a working line of credit to meet the anticipated needs of the company's daily operations. Requests for surety credit above this line of credit are welcomed and reviewed on a case by case basis. As always, any future request for surety credit is based on the current underwriting information available at the time.

We are pleased to give our highest recommendation on behalf of Engineering and Environmental Consultants, Inc. and appreciate any courtesy you may extend this valued client.

Best regards,



Jeri Lynn Thompson
Attorney-in-fact
Merchants Bonding' Company

/jlt



January 3, 2006

Engineering & Environmental
Consultants, Inc.
4625 E. Fort Lowell Road
Tucson, AZ 85712-1126

RE: State of Arizona
Dept. of Environmental Quality
Solicitation #SEC060008

Dear Chuck:

This letter is to serve as verification that your insurance policy limits are adequate for the requirements set out in section 4.26.3 of the above referenced contract. I have reviewed the above captioned contract for insurance purposes only, specifically sections Environmental Consultants & Testing 4.26.3 Insurance Requirements. Our recommendations and/or comments are limited to compliance with insurance requirements. The Mahoney Group can not provide legal advice and strongly recommends you review the contract in its entirety with your attorney.

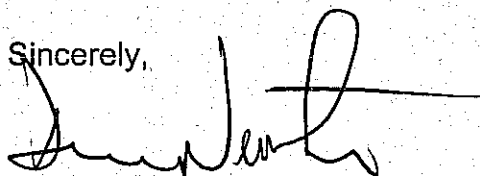
Your policy has been endorsed for blanket additional insured and blanket waiver of subrogation if required by written contract. Auto liability requires the addition of an additional insured endorsement. Your carrier has agreed to provide this endorsement for the additional premium quoted. As discussed, if your bid is successful, we will order the endorsement at that time.

Your umbrella liability policy includes the employer's liability as an underlying policy. The combination of these two policies exceeds the limits required by the contract.

Your professional environmental consultant's liability policy limits are also adequate for the contract, but it does not provide broad contractual indemnification language nor coverage for subcontractors. Please note my comments previously provided by email on December 5, 2005.

Should you have any questions, please don't hesitate to give us a call.

Sincerely,



Drew A. Newton, CPCU, ARM, CIC
THE MAHONEY GROUP

dw

**THE
MAHONEY
GROUP**
*Your
Insurance
Professionals*

... an Assurex Partner

3719 N. Campbell Ave. (85719)
P.O. Box 42950
Tucson, Arizona 85733-2950
(520) 795-8511
(520) 795-8542 FAX



Our website address: www.mahoneygroup.com

Casa Grande • Coolidge • Globe • Kingman • Mesa • Phoenix • Pinetop • Prescott • Tucson

PRODUCER THE MAHONEY GROUP - TUCSON 3719 N. Campbell Avenue Tucson AZ 85719-1541 Phone: 520-795-8511 Fax: 520-795-8542		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Engineering & Environmental Consultants, Inc. 4625 E. Fort Lowell Road Tucson AZ 85712		INSURERS AFFORDING COVERAGE	NAIC #
		INSURER A: Cincinnati Insurance Company	0146
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.


INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS		
A		GENERAL LIABILITY	CPP0910683	03/31/05	03/31/06	EACH OCCURRENCE	\$ 1,000,000	
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 500,000	
		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 10,000	
						PERSONAL & ADV INJURY	\$ 1,000,000	
						GENERAL AGGREGATE	\$ 2,000,000	
						PRODUCTS - COMP/OP AGG	\$ 2,000,000	
		GEN'L AGGREGATE LIMIT APPLIES PER:						
		<input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
A		AUTOMOBILE LIABILITY	CPP0910683	03/31/05	03/31/06	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000	
		<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$	
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$	
		<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$	
<input checked="" type="checkbox"/> HIRED AUTOS								
<input checked="" type="checkbox"/> NON-OWNED AUTOS								
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$	
		<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC	\$	
						AUTO ONLY: AGG	\$	
A		EXCESS/UMBRELLA LIABILITY	CPP0910683	03/31/05	03/31/06	EACH OCCURRENCE	\$ 2,000,000	
		<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$ 2,000,000	
							\$	
		<input type="checkbox"/> DEDUCTIBLE					\$	
		<input type="checkbox"/> RETENTION \$					\$	
							\$	
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS	OTH-ER	
		E.L. EACH ACCIDENT				\$		
		E.L. DISEASE - EA EMPLOYEE				\$		
		E.L. DISEASE - POLICY LIMIT				\$		
		OTHER						

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Proof of Coverages.

CERTIFICATE HOLDER

CANCELLATION

ADEQ000 ADEQ 1110 W. Washington Phoenix AZ 85007	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>10</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 
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ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID D2 DATE (MM/DD/YYYY)
ENVI-16 01/03/06

PRODUCER THE MAHONEY GROUP - TUCSON 3719 N. Campbell Avenue Tucson AZ 85719-1541 Phone: 520-795-8511 Fax: 520-795-8542		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Engineering & Environmental Consultants, Inc. 4625 E. Fort Lowell Road Tucson AZ 85712-1126		INSURERS AFFORDING COVERAGE	NAIC #
		INSURER A: Steadfast Insurance Company	
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	

COVERAGES						
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		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				<input type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A		Professional/ Pollution Liab.	PEC525461103 \$20,000 SIR	08/28/05	08/28/06	Per Claim \$1,000,000 Aggregate \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS Proof of Coverage.
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	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
	<input checked="" type="checkbox"/> HIRED AUTOS					
<input checked="" type="checkbox"/> NON-OWNED AUTOS						
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC	\$
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	<input type="checkbox"/> DEDUCTIBLE					\$
	<input type="checkbox"/> RETENTION \$					\$
						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS	OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	\$
	If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	\$
	OTHER				E.L. DISEASE - POLICY LIMIT	\$

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		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	\$ \$ \$ \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN EA ACC AUTO ONLY: AGG	\$ \$ \$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE RETENTION \$				EACH OCCURRENCE AGGREGATE \$ \$ \$	\$ \$ \$ \$ \$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				<input type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	\$ \$ \$
A		OTHER Professional/ Pollution Liab.	PEC525461103 \$20,000 SIR	08/28/05	08/28/06	Per Claim Aggregate	\$1,000,000 \$2,000,000
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